Fall in foodgrains production due to hike in prices of fertilizers

DR. YELAMANCHILI SIVAJI (Andhra Pradesh): Madam, this year, food production went down against the expected target. And we are compelled to import wheat as well as cotton. This is due to the making of the Government by enhancing fertilizer prices during the last Budget in July. This year, the allocation towards the subsidy of fertilizers is Rs. 5000 crores whereas in the last Budget the allocation was Rs. 4000 crores. With a supplementary Appropriation Bill for Rs. 250 crores first and another for Rs. 550 crores later, it went up to Rs. 4,800 crores. Still, the old dues were to the tune of Rs. 1400 crores. Therefore, the effective subsidy last year was Rs. 6200 crores as against this year's subsidy of Rs. 3600 crores. So, it has gone down. Meanwhile, in the last six months, the prices of gas, naphtha, fuel oil, coal, rock sulphur and rock phosphate went up and these are the ingredients for fertilizer production. The Government raised the prices of these items. Also, railway freights and power charges went up. With the devaluation, new rates became effective for potash, capital goods imports and spares and components, making the cost of fertilizer production more. The partial convertibility of the rupee also adds to the cost of production. The Minister, in the course of his Budget speech, mentioned that depending upon the report of the Joint Parliamentary Committee, it was indicated that the prices of fertilizers might go up once again.

Madam, I may add that during 1976-77, the total foodgrains production in this country was 111 million tonnes During 1977 November, the subsidy was increased and thereby, within one year, 1977-78, the foodgrains production went up to 126.4 million tonnes and in the next year, it went up to 131.9 million tonnes. As soon Mrs. Indira Gandhi came to office in 1980, again fertilizer prices were hiked and thereby the production of foodgrains was at a standstill. However, during 1983-84, some wise counsel prevailed upon the Government to see that fertilizer prices were reduced. As a result, the production of foodgrains went up to 175 million tonnes up to 1989. So, with the introduction of a cut in the fertiliser subsidy there was a hike in the prices of fertilizers. Thanks to the performance of the Government, even during 1980s, even though there were three... (*Time-bell rings*). we never resorted to import of foodgrains. But now, we are compelled to import fertilizers. At the same time, I would like to add, all the subsidy, the heavy subsidy given to fertilizers, goes into the drain to compensate the inefficiency of the fertilizer industry at the cost of the growers.

Madam, it is a fact that our farmers are paying five times more than their counterparts in Japan to get the same quantity of fertilizers and two and a half to three times more than their counterparts in Bangladesh and Pakistan. Madam, further to it, during the last Budget approval, the Government stated that for the small and marginal farmers, the fertilizer would be supplied at the old rates and under that accord, the Government sanctioned about Rs. 1600 crores to the Government of Andhra Pradesh to meet the subsidy component for the small and marginal farmers. But yet for the last eight or nine months, the Government of Andhra Pradesh did not take that amount and it has been placed in general funds. So I would like to add that if the fertilizer prices are enhanced once again, food production will go down and we may be compelled to go back to the early sixties depending upon PL-480 for rice and wheat.

Need to implement the recommendations of the committee on Public Undertakings regarding improvement in the functioning of Air India

SHRI M. A. BABY (Kerala): Thank you very much, Madam, for having permitted me to raise this issue. Madam, this issue is of grave concern for lakhs of Indians working in the whole Gulf sector as well as for the whole country of India from the point of view of earning precious foreign exchange. The matter relates to the cruel humiliation meted out to the Indians working in the Gulf sector who are forced to travel by

Air India to Kerala. While raising this issue, I hope that the hon. Minister from Kerala, Mr. M. M. Jacob, who is also fortunately present here, would also, if not associate with me at least assure the House and the Keralites and Indians that this issue should be very seriously pursued by the Government of India so that the discrimination meted out to Keralites travelling from Gulf to Trivandrum is removed and their problem solved.

Madam, on this particular matter, the Committee on Public Undertakings had referred in its report—Mr. Narayanasamy was also a Member of the Committee and therefore, he is well-versed with the gravity of the situation—that Air India has been charging exorbitant fares for those who are travelling from Gulf to Trivandrum as against the fare that is being charged from those who are travelling from Gulf to Bombay or even to Delhi. There is no justification for this kind of a discrimination that is being practised. Air India has been explaining that Air India's fares are decided not by the Government of India, the Civil Aviation Ministry or Air India but on the basis of the suggestions made by International Air Transport Authority. This explanation has been given time and again by many Ministers but this is factually wrong. The International Air Travel Association is an Association only to rationalise or to finalise the fares on the basis of suggestions made by different National Carriers. Therefore, the association formed in Gulf by Indians given have decided to sue the successive Civil Aviation Ministers, cutting across political differences. They have named Arif Mohd. Khan, Shivraj Patil, who happens to be the present Speaker of Lok Sabha, and then the present Civil Aviation Minister. Madam, in the year 1978 when the Indian Airlines fare for Bombay-Trivandrum-Bombay was just Rs. 1290 and Air India UAE-Bombay UAE sector fare was at a much discounted rate of 800 Dirhams, Air India was charging from the Gulf-Trivandrum passengers a hefty sum of 2,757 Dirhams whereas the flight was direct to Trivandrum without touching down at Bombay. The explanation given by the Air India authorities was that Bombay was considered as the gateway of India point and even when they send the flight direct from Gulf to Trivandrum, they calculate the flight fare as though it is travelling via Bombay. This is highly unjustifiable. During 1979-80, the Indian Airlines fare for Bombay-Trivandrum-Bombay was Rs. 1290 and Air India fare for the UAE-Bombay-UAE was 900 Dirhams. That means, as per Air India theory, a constructive fare over Bombay fare, the UAE-Trivandrum-UAE fare should have been just 1200 Dirhams...and not 2,757 Dirham which was charged during this period. During 1989-90 when the Indian Airlines fare on the Bombay-Trivandrum sector was only Rs. 2,824/-, Air India at the time was charging from the Gulf passengers Rs. 4,211/-, that is Rs. 387/- more. Madam, in the Report of the Committee on Public Undertakings a reference was made that during the period 1979 to 1984, Air India made a profit of Rs. 300 crores and if the profit made from the Gulf-Trivandrum sector was reduced, the total performance of Air India would have been one of loss. This is the reference made in the Report of the Committee on Public Undertakings.

The whole of Air India was sustaining on the exploitation that is being practised in the Gulf-Trivandrum sector. This only constitutes part of the story. Madam, as you know, after so much prevarication the Trivandrum Airport was declared an International Airport and if we actually develop the Trivandrum Airport as a full-fledged airport, many international carriers would pass through Trivandrum as against what is being practised today. Today many inter-national flights are going *via* Colombo. Madam, you know the situation now. There is no factility at Trivandrum Airport. Even after declaration of the Trivandrum Airport as an International Airport, many international flights are not touching the Trivandrum Airport because there is no room for passengers to sit. Even for re-fuelling there would have been possibilities of international air carriers touch

[Shri M. A. Baby]

ing the Trivandrum Airport. But now even if international carriers touch the Trivandrum Airport, during the time of re-fuelling the passengers can't be seated in their aircraft; they have to go out and sit somewhere in the transit lounge in the International Airport. But there are only two rooms where arriving passengers and departing passengers can sit. This is only part of the story. There was a proposal for improvement of the Trivandrum Airport as a full-fledged International Airport. So far as my information goes, merely more than 30 crores of rupees were earmarked for that way I don't know how much money has been spent on this so far. There was a proposal to have a Centrally air-conditioned terminal which, so far as my information goes, is being abandoned now. There was a proposal to have an aero-bridge so that with such facilities Indian air-carriages can come; even that is being abandoned. Madam, this kind of an attitude is not only a discrimination to the State of Kerala, but to the whole region of South India also. This is going against the interests of the country. If the Trivandrum Airport is developed as an International Airport, considering the historical importance of our country, many international air passengers would like to touch Trivandrum on their to Far-Eastern countries. This opportunity is being denied by the negative attitude of the Civil Aviation Ministry. Therefore, through you, Madam, I request that the Development of Civil Aviation should abondon its negative attitude—I don't say "stepmotherly" or "stepfatherly" attitude—this negative attitude should be abondoned. Number one, Trivandrum should be developed as a full-fledged International Airport. Now only a declaration is there. Number two, the cruel discrimination meted out to the Gulf—Trivandrum sector should be abandoned and the fare should be rationalised.

SHRI V. NARAYANASAMY (Tamil Nadu): Madam, I associate myself with the Special Mention of Shri Baby. I know pretty well...

THE DEPUTY CHAIRMAN: Now it is very late.

SHRI V. NARAYANASAMY: I know pretty well that you are more sympathetic towards the people. Indians are working in the Gulf countries. The distance from Bombay to London or Bombay to Paris or Bombay to Tokyo is double the distance of Trivandrum to Gulf, but the fare that is being collected by Air India is equal as compared to the Gulf sector and the Western countries. Madam, when in a meeting of the Committee on Public Undertakings the officials were summoned, they had agreed. The reason given by them is, "If we don't collect this fare, Air India will be losing". It will become a losing organisation. This is unjustifiable. They have already agreed that they would go in far nationalisation of fares. The Committee has submitted its report to the Parliament. It has not been implemented so far. After the Kuwait war a lot of Indians are going to Kuwait and other Gulf countries. The losers are the people from the South. Therefore, I would like the hon. Civil Aviation Minister to reconsider and implement the decision that has been taken by the Public Undertakings Committee.

SHRI M. A. BABY: Madam, Shri Jacob is here.

SHRI M. M. JACOB: Madam, I will convey it to the Civil Aviation Ministry.

Alleged U. S. Call to other countries to join in sanctions against I.S.R.O. and Russian Glavkosmos

SHRI KAPIL VERMA (Madhya Pradesh): Madam, we have learnt with great concern and anguish that the U.S. State Department has urged other countries who are signatories to the MTCR to impose sanctions against ISRO and Russian Glavkosmos on the ground of cryogenic rocket engine deal. Ms. Margaret Tutwiler, State Department spokesperson, has admitted that an American private firm had negotiated with ISRO several months